

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND**

VECTOR TOBACCO LTD.
and
VECTOR TOBACCO INC.

Plaintiffs

v.

Case No. JFM 03CV 415

LIBERTY BRANDS, LLC,
BARRY GARNER, and
BETTY MISER

Defendants

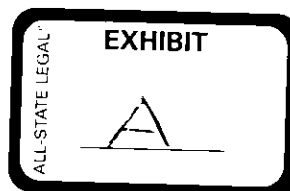
* * * * *

DECLARATION OF MARC N. BELL

MARC N. BELL, hereby declares and states as follows:

1. I am Senior Vice President and General Counsel at Vector Tobacco Inc. I have personal knowledge of the facts surrounding the merger of The Medallion Company, Inc. (hereinafter "Medallion") as I was one of the attorneys responsible for completing the merger. I submit this declaration in support of Plaintiffs' Memorandum In Opposition to Defendants' Motion To Dismiss.

2. On February 15, 2002, VGR Acquisition Inc. (hereinafter "VGR"), a company specifically incorporated for the sole purpose of facilitating the acquisition of Medallion, signed an agreement with the principal stock holder of Medallion, Mr. Gary Hall and certain family trusts, to purchase all of the outstanding stock of Medallion (hereinafter "the Transaction"). Medallion continued to exist as a separate legal entity. Documents evidencing this transaction are attached hereto as Exhibit 1.



3. On April 1, 2002, VGR was merged with and into Medallion, with Medallion surviving. As a result of this merger, VGR ceased to exist as of April 1, 2002.

4. On April 1, 2002, simultaneously with the merger of VGR with and into Medallion, Vector Tobacco Inc. (a Delaware corporation) was also merged with and into Medallion. Documents evidencing the transactions described in paragraphs 3 and 4 are attached hereto as Exhibit 2.

5. Also on April 1, 2002, Medallion changed its name to "Vector Tobacco Inc." Documents evidencing this name change are attached hereto as Exhibit 3.

6. Prior to the Transaction, the KNIGHTS trademark and trade dress were owned by Medallion. Notwithstanding the Transaction and subsequent mergers, the KNIGHTS trademark and trade dress continued to be owned by the same company that created them, the only difference being that company changed its name to Vector Tobacco Inc. Thereafter, on or about, April 15, 2002, for business purposes, Vector Tobacco Inc. decided that the KNIGHTS trademark should be assigned to Vector Tobacco Ltd., a wholly owned subsidiary of Vector Tobacco Inc. An assignment document reflecting that decision has been submitted to the U.S. Trademark Office for recording and a copy is attached hereto as Exhibit 4. Vector Tobacco Ltd. and Vector Tobacco Inc. are the Plaintiffs in this lawsuit.

7. All of the documents attached to this declaration are public documents and have been filed with the appropriate Federal or State authorities, as the case may be.

I declare, under penalty of perjury, that the foregoing is true and correct.

April 2, 2003



Marc N. Bell

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